



we see the whole picture

CT Municipal Employees Retirement System CT Policemen and Firemen Survivors' Benefit Fund July 1, 2006 Actuarial Valuation

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Agenda

- SBF Valuation
- MERS Valuation
 - Membership Trends
 - Balance Sheet
 - Assets
 - Gain/Loss Analysis
 - Contribution Rate History
 - Stabilization Reserve Projections by Group
 - Discussion of Contribution Rates for FY 2008

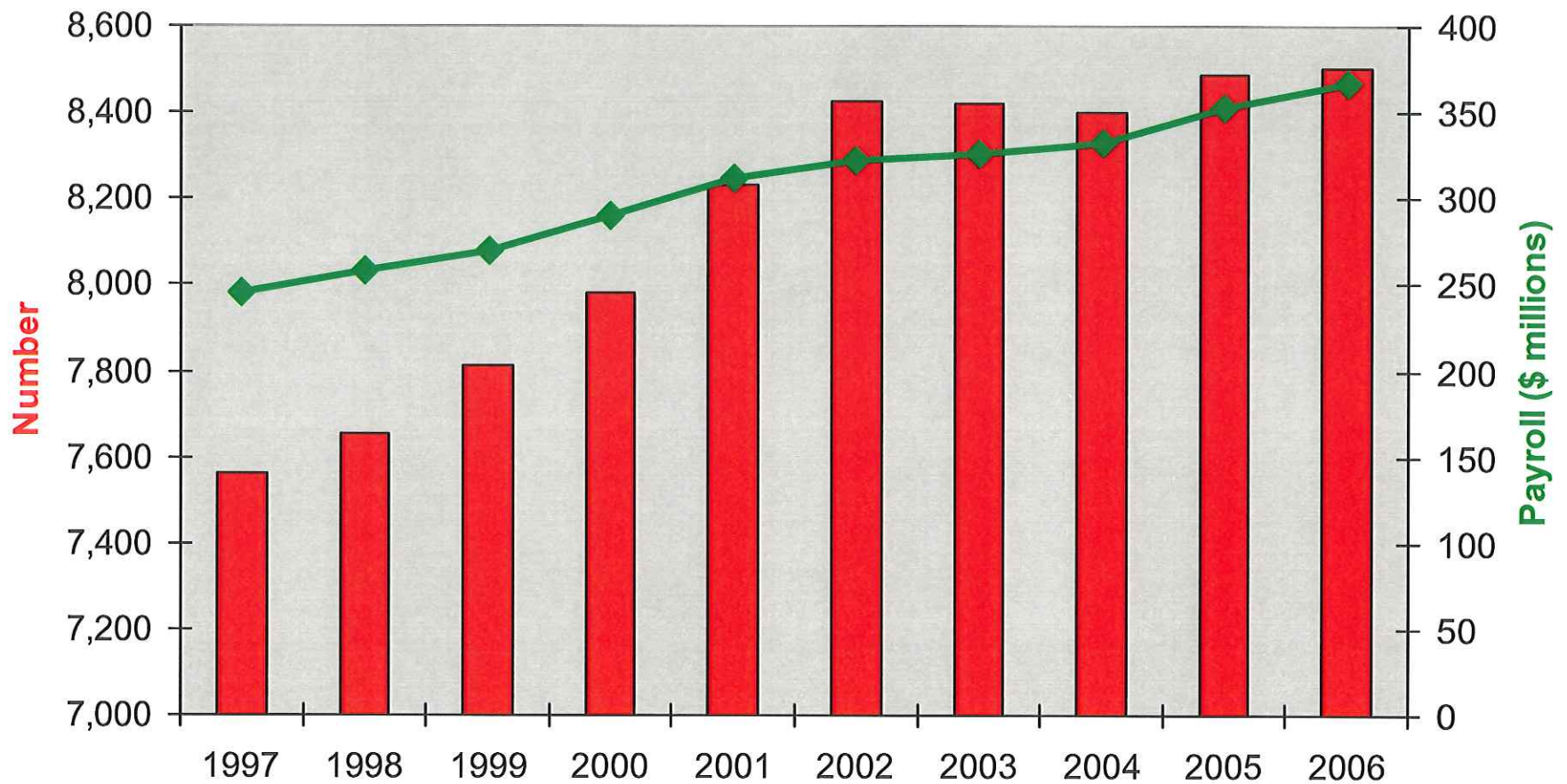
SBF Valuation Notes

- Funding method was changed during 7/1/2005 valuation to accommodate new town that joined the system (New Britain) and avoid sharing asset surplus accumulated by original towns
- Keeping with MERS, asset valuation method was also changed during 7/1/2005 valuation
- All towns are required to pay administrative expenses (currently \$30 per active member)
- Calculated employer normal cost rate is 0.57% of payroll
due to new funding method all towns same cost
- As with last year, original towns can offset their entire normal cost payment with their asset surplus base
*NB must pay part of normal cost } sup page 8
orig towns can offset summary*

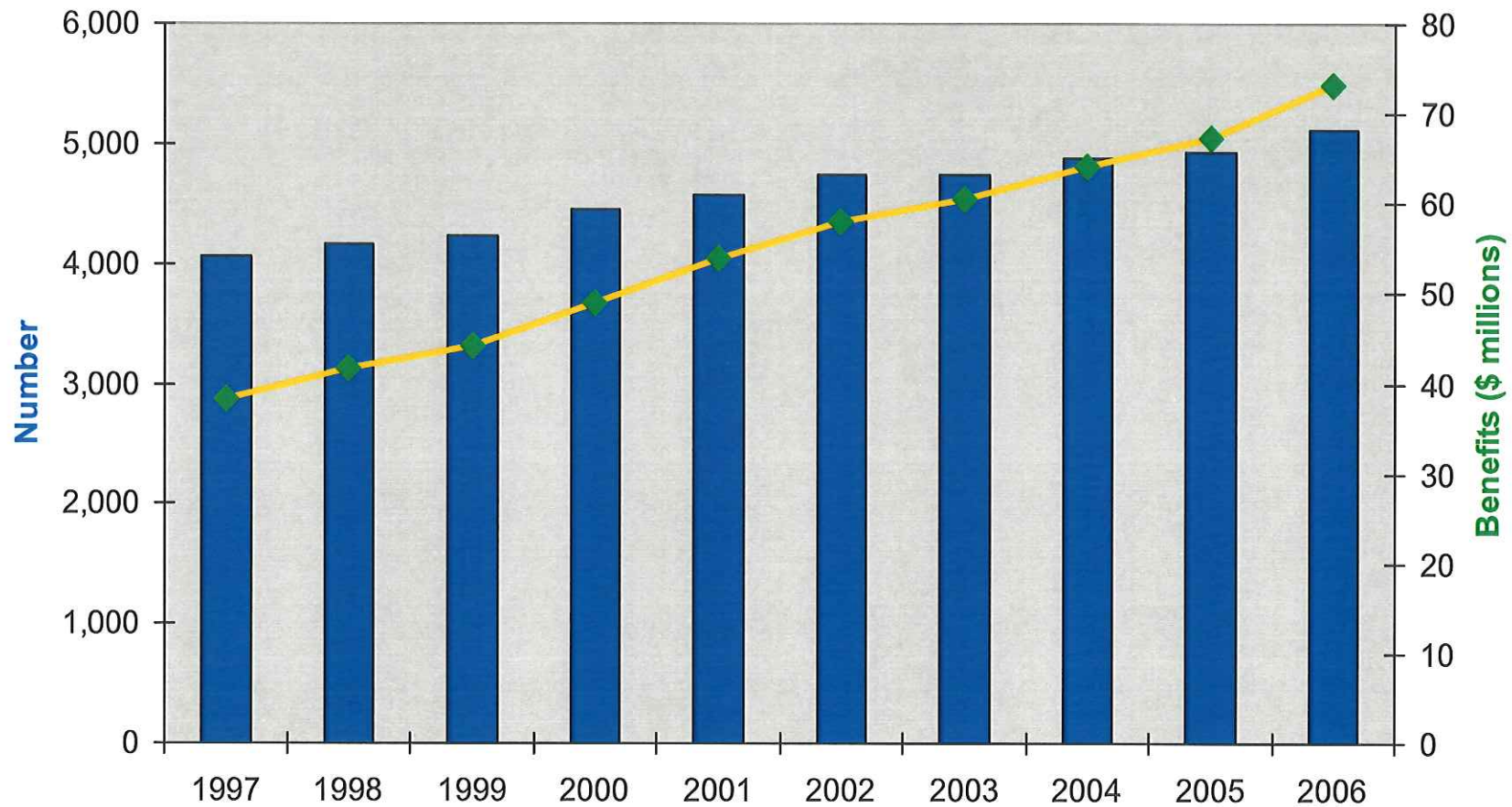
MERS Valuation Results

July 1, 2006

Active Membership

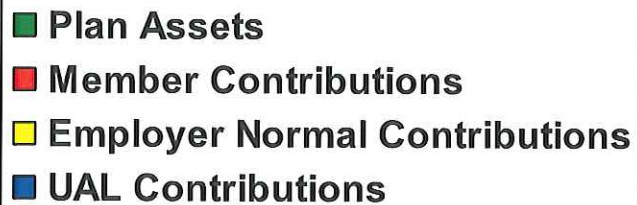
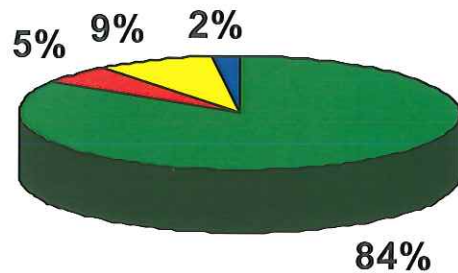


Retired Membership

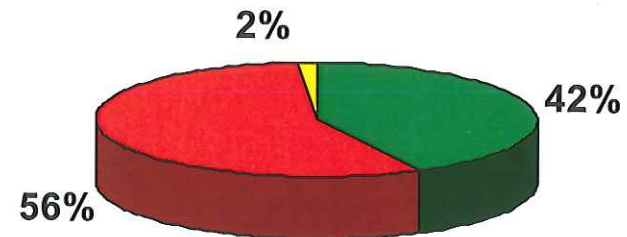


MERS Balance Sheet as of 6/30/2006

Assets by Source
\$1,889.9M



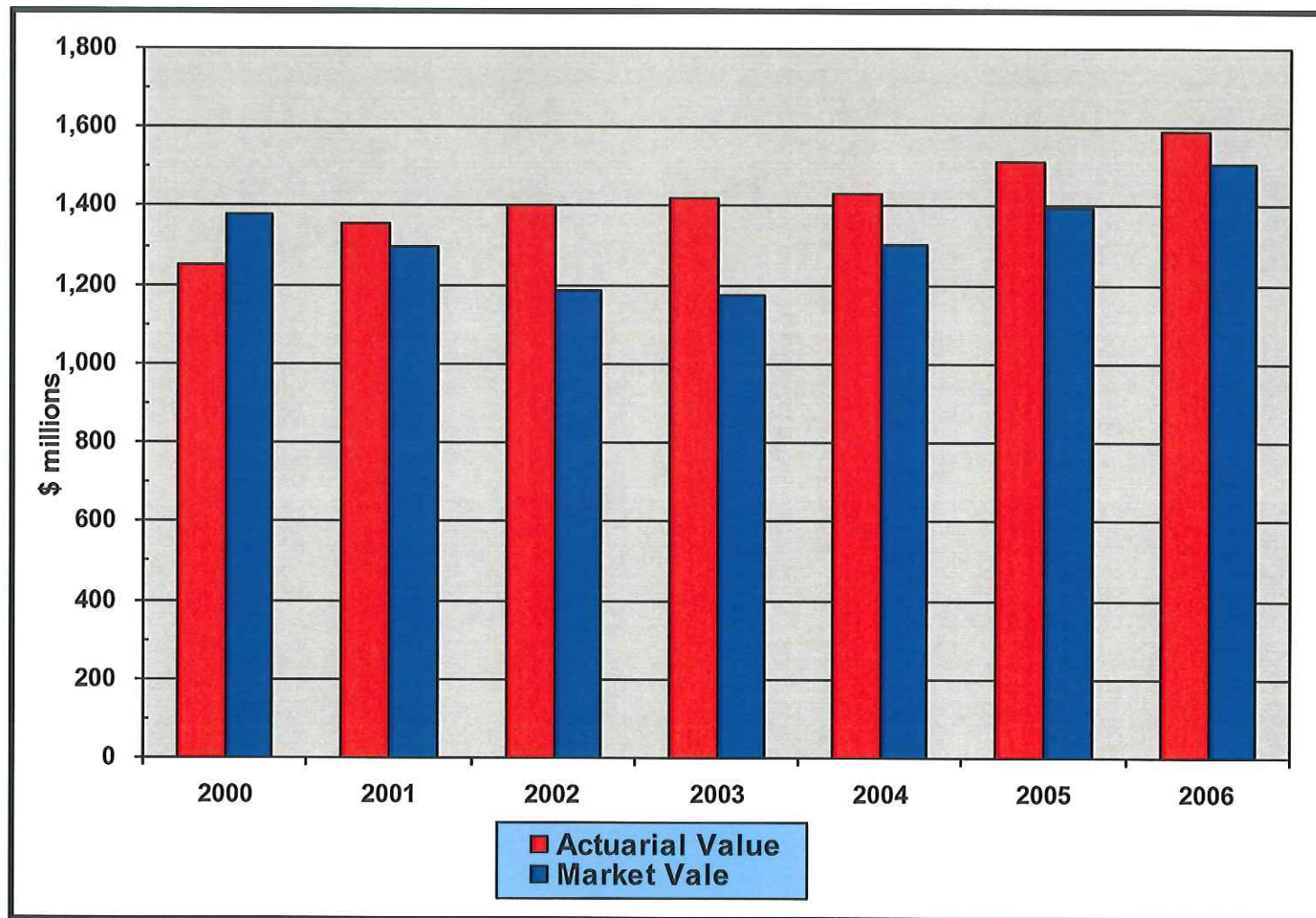
Liabilities by Source
\$1,889.9M



Actuarial Value of Assets – Smoothing Method (Market-Related Value of Assets)

- Smoothing method was changed during 7/1/2005 valuation
- Change resulted in \$72M increase in actuarial value of plan assets
- Current method recognizes 20% of the difference between market value of assets and expected actuarial value of assets
- Dampens volatility of market value
- Helps stabilize employer contributions

History of Asset Values



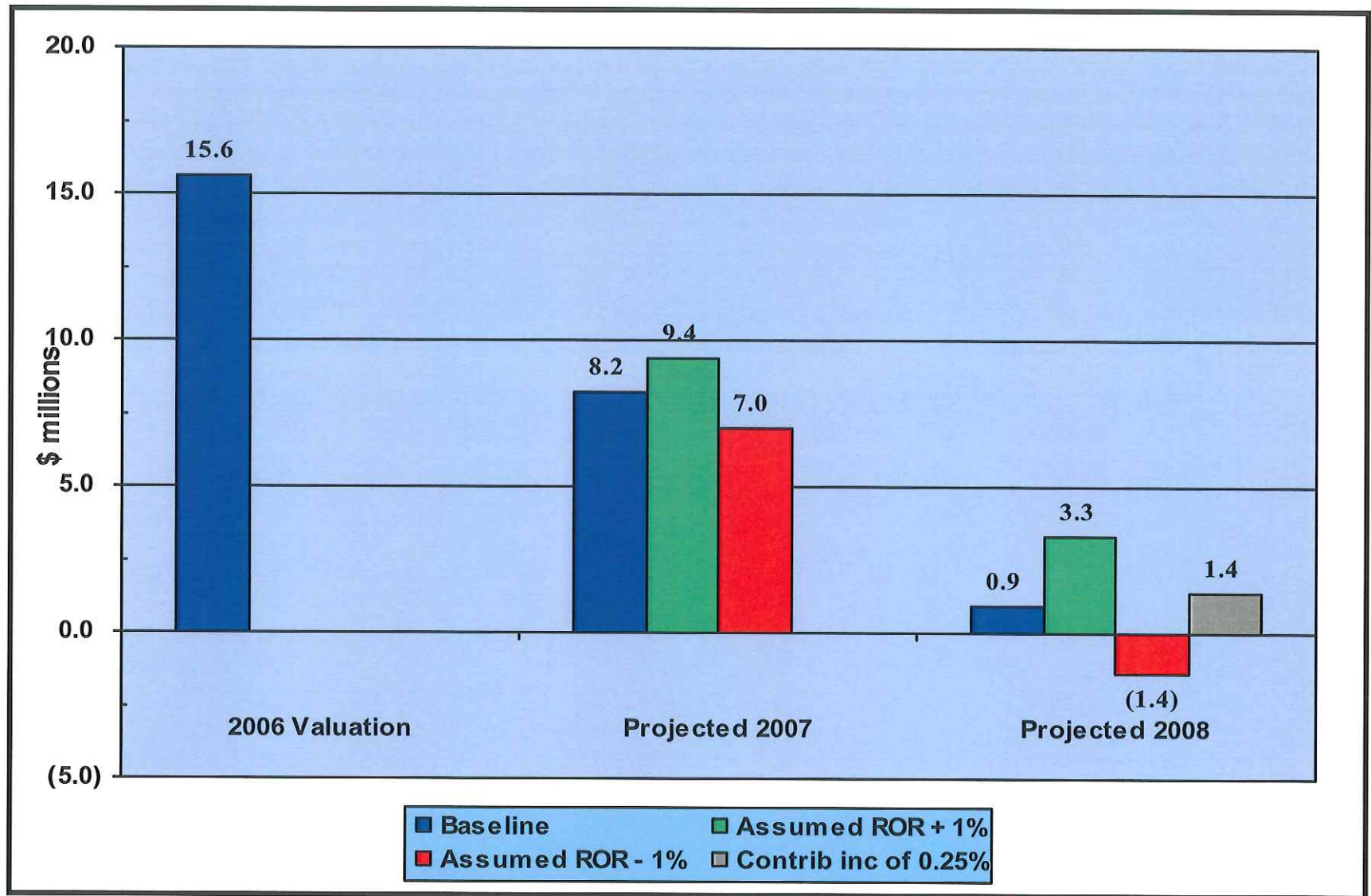
Gain / Loss Analysis

Source	Gain / (Loss)	% of BOY AL
Data changes and other causes	\$1.6	0.11%
New members	(6.3)	(0.43)
Separation	(0.7)	(0.05)
Salary increases	7.6	0.52
Death after retirement	(1.4)	(0.10)
COLA increases	5.5	0.38
Investment income	(19.6)	(1.34)
Net Gain / (Loss)	\$(13.3)	(0.91)%

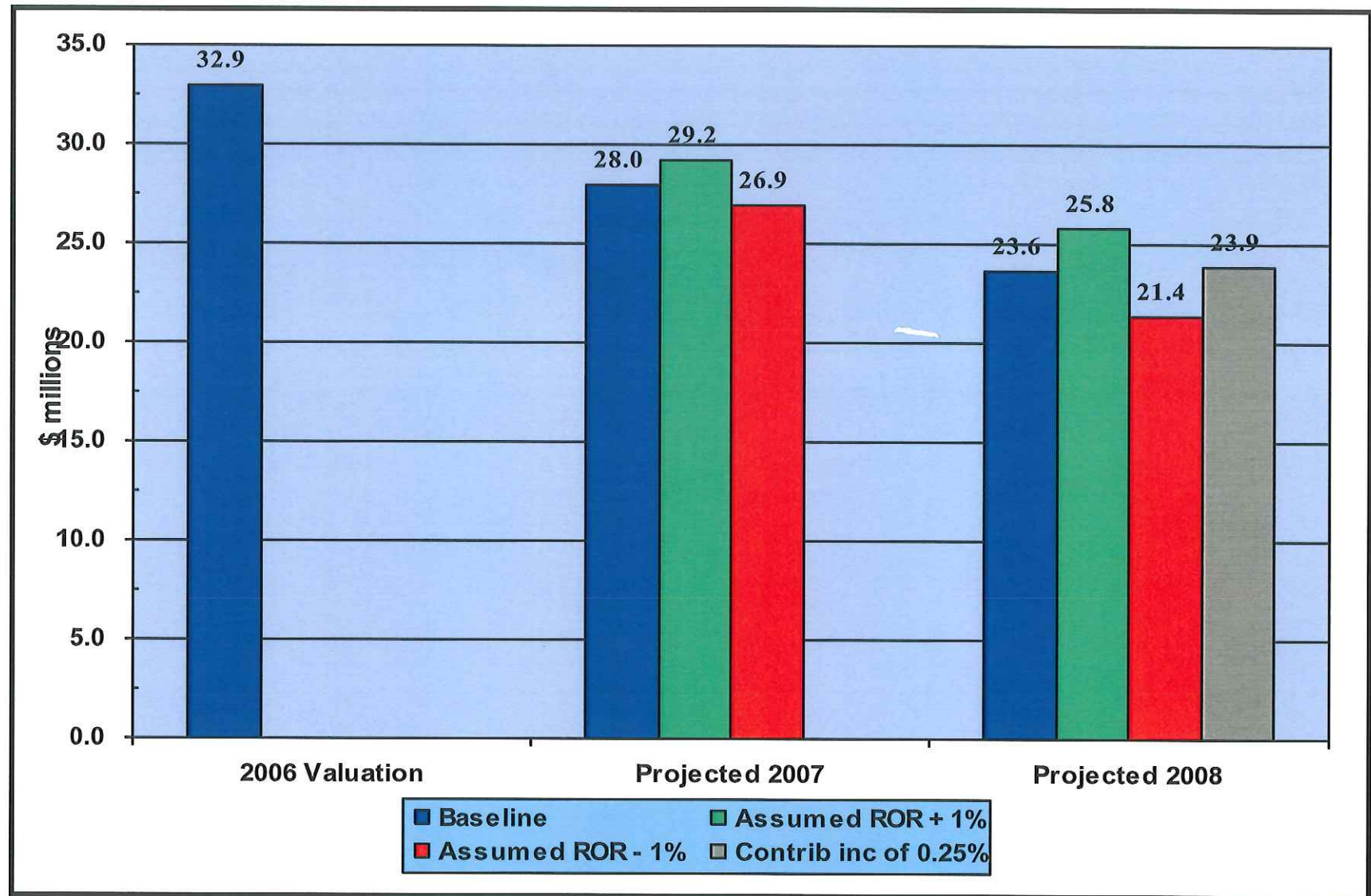
Employer Normal Cost Rates (NC%) with Associated Service Contribution Rates (SC%) by Valuation Date

		7/1/2003	7/1/2004	7/1/2005	7/1/2006
GE w/ SS	NC %	7.85%	7.60%	7.64%	7.65%
	SC %	3.75%	6.25%	6.75%	
GE w/o SS	NC %	8.07%	7.84%	7.89%	7.91%
	SC %	3.75%	6.50%	7.00%	
P&F w/ SS	NC %	10.71%	10.29%	10.29%	10.47%
	SC %	4.25%	7.75%	8.00%	
P&F w/o SS	NC %	9.76%	9.49%	9.50%	9.58%
	SC %	4.25%	7.50%	7.75%	

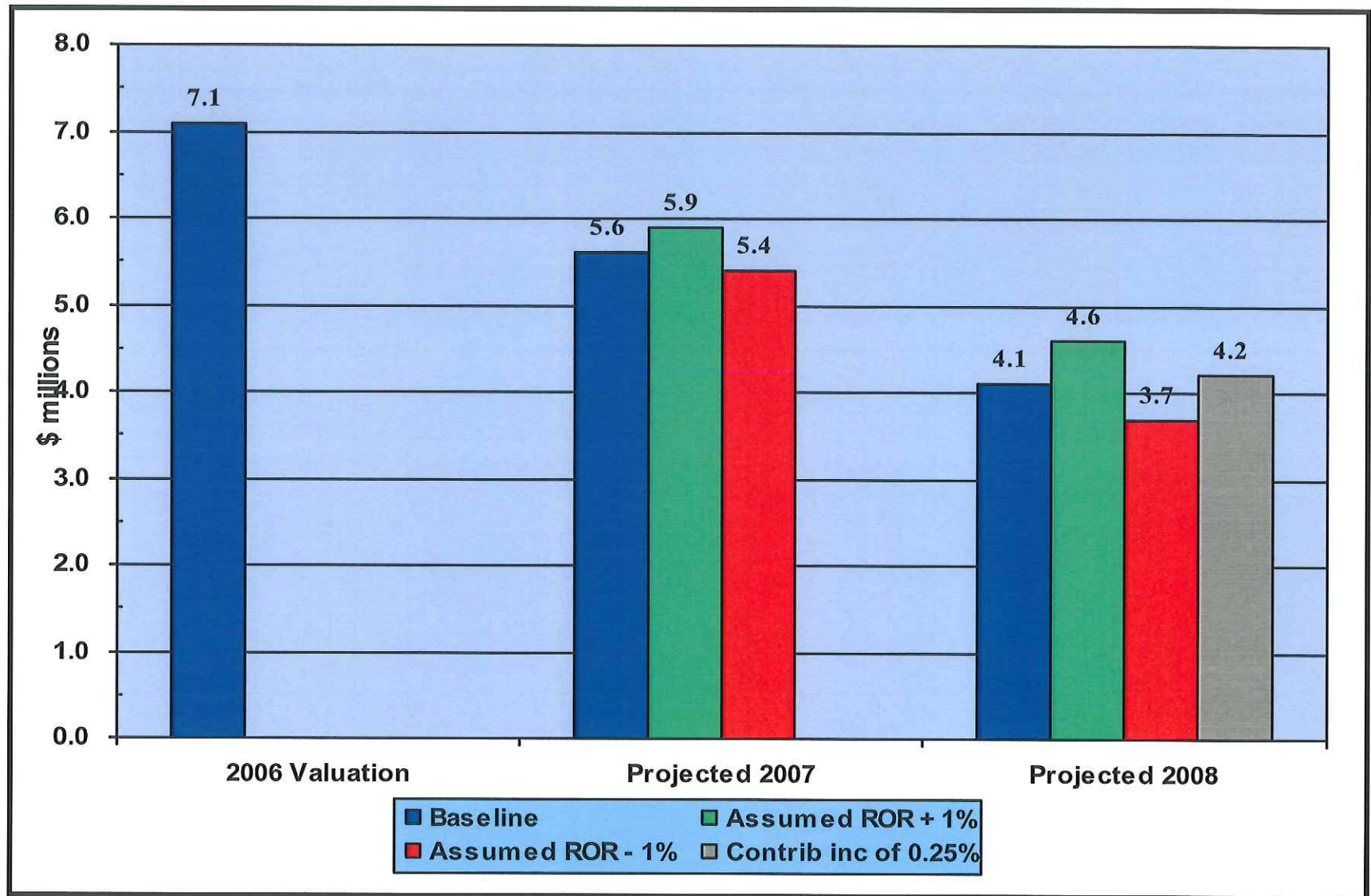
Projection of Stabilization Reserve – GE w/ Soc. Sec.



Projection of Stabilization Reserve – GE w/o Soc. Sec.



Projection of Stabilization Reserve – P&F w/ Soc. Sec.



Projection of Stabilization Reserve – P&F w/o Soc. Sec.

